



McLEOD RUSSEL  
*Believe in tea*

To  
Mr. Justin Rowlett  
BBC South Asia correspondent

September 3, 2015

Dear Mr. Justin Rowlett,

We write with reference to your report following your visit to our Tea Estates in the third week of August in Assam and sent to our Company Secretary and to some of our customers in the UK.

We thought it best to respond to your queries by way of this note. We would like to state that the plantations are our pride and the workers our biggest assets. We are proud of our legacy and would have gladly shown the crew around our properties for a comprehensive view of our operations so they could form an opinion based not only on capturing some of the challenges but also taking into account our achievements at compliance and our commitment to welfare beyond statute. We would introduce ourselves as one amongst many passionate tea producing companies.

The McLeod Russel Group is an amalgam of two large groups, The Williamson Magor & Co Ltd and The McLeod Russel India Ltd which came together in the late 1980's. Subsequent acquisitions and mergers have made it into the largest privately owned Tea Plantation with an annual crop of over 120m Kgs spread across its plantations in Assam, Dooars, Rwanda, Uganda and Vietnam, employing over 100,000 workers.

The Company owes its history to the East India Merchants who were the founders of the company over 150 years ago. Therefore strong traditions and time-tested principles have been the guiding factors in running our business.

Post Independence, it was the Plantation Labour Act of 1951 which brought about an improvement in workers' living conditions and granting them their rights and privileges. However, the issues faced by our founders in the challenging environment of the North-East where the planter is left to battle the vagaries of drought and floods and a cyclical tea market remain unchanged. Thus it must be understood that the amenities such as housing and improvement of workers' living conditions is an ongoing exercise which can only best be achieved in a phased manner. We construct over 250 houses per year in Assam and are near-complete in our compliance, despite the incremental requirement each year as workers' families expand with matrimony.

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**McLEOD RUSSEL INDIA LIMITED**

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A Williamson Magor Group Enterprise

We encourage visits to our plantations by one and all and would have liked to show our work well beyond the scope of any statute including our CSR initiatives catering to the rural population around tea estates. These include schemes on empowerment of women such as the *Bodo Handloom Scheme*, Healthcare activities covering *free eye clinics* providing for corrective surgery, *Operation Smile* - correction of cleft lip and palate, provided through our network of over 128 hospitals, *Community Development Programmes* - engaging in *sustainable* employment generation, assistance to farmers in and around estates and initiatives on *Education* - providing modern education, scholarships and literary recognition.

Please see attached our press statement and response to the specific points you raised in your correspondence of 24<sup>th</sup> August and 1<sup>st</sup> September. We hope that you will portray an accurate account pertaining to these since you acknowledge this issue to be systemic across the industry whilst we continue to work with partners, local government and certification authorities as we move forward. This is an ongoing journey and the core of our medium and long term development programs.

For McLeod Russel India Limited,

A handwritten signature in black ink, appearing to read 'Azam Monem', with a long horizontal stroke extending to the right.

**Azam Monem**  
**wholetime Director**

### **Press Statement**

The safety and living conditions of workers on our estates is our priority. Whilst ensuring social and economic development to sustain and improve the quality of life, these issues remain widespread across the industry as we work with the local government and district administration to address improvements in housing, medical facilities and nutrition. The government and various certification bodies regularly audit the level of compliance and have acknowledged that this is an ongoing journey which will need assistance from time to time by way of government grants and subsidies.

Response to specific points raised:

- 1) **Housing and Repairs etc.** – We provide every worker and his/her family with a house. We build close to 250 houses annually as an ongoing project and at any given time our compliance level in the entire group would be close to complete. Building houses is however an ongoing exercise as families expand with matrimony and we cope with the incremental demand in a phased manner. Similarly, repairs are carried out on a turnkey basis within the short window of opportunity during the dry season. It may however be likely that some repairs may not withstand the heavy monsoon rains and incidents of leaking roofs emerge during the season as you may have observed at Moran Tea Estate.
- 2) **Toilet Facilities** – These are part of the housing project and are contained within the premises. Continuous training is an ongoing process to encourage the proper use and upkeep of toilets.
- 3) **Personal Protective Equipment** - Protective clothing and equipment is provided free of cost to workers engaged in spraying. We conduct regular training programmes on occupational health and safety in all tea estates where maximum emphasis is given on the use of PPE. Regular spot checks are conducted to ensure compliance over and above the training program.
- 4) **Electricity** – Providing electricity remains a challenge and is an ongoing task being undertaken by the management. Assam is a power-deficit state and power supply /availability averages 60% of requirement across the State as the Power Distribution Company is unable to meet the growing demand. There is therefore a waiting period for new connections, particularly in the rural sector. In fact, all the tea estates are compelled to run their factories on standby power through captive generation at a high cost, which is a major concern for the Industry.
- 5) **Trespass** – While there are no restrictions of movement of the resident population of workers, ingress and egress of visitors, is monitored by management due to the fact that 'Tea Estates in Assam have faced the brunt of militant activity in yester years and



continue to be vulnerable due to the uncertain environment, being situated in politically volatile areas. The local district administration desire management to keep a strict vigil on any visitor movement and possible infiltration to residential areas of the estates. Today whilst our workers are free to move around at will, the management on its part needs to ensure that private residential areas of workers are not converted as public thoroughfares providing a free run to anybody wanting to walk through. In fact, each of our estates has had to deploy upto a platoon of security force to secure the Estate environment and its residents.

- 6) **Current Daily Rate Wage of workers in Assam**—Our total cost of employment for a tea worker in Assam receiving a cash wage of Rs 115 daily works out to Rs 249 per day. The wages of the tea worker are made up of cash emoluments including bonus which is paid as an additional cash wage and in-kind benefits.

The daily cash wage payable is agreed every two years by way of bilateral and tripartite agreements involving the Union and Government. The in-kind benefits being provided are under a statute known as the Plantation Labour Act of 1951.

The in-kind or fringe benefits that contribute to the rate of Rs 249 per day include:

- free fuel and firewood
- rations of wheat and rice at a concessional rate of 1951 for the worker and dependents
- free medical facilities and sickness benefit
- maternity benefit
- free housing and water –supply
- Children's education
- essential clothing such as umbrella footwear, blanket etc.
- earned leave as wages
- provident fund and gratuity meant for retirement
- dry tea
- recreational facilities inclusive of national and festival holidays

- 7) **Malnutrition** - The Management has taken definite steps in Estates in Assam to control anemia, reduce nutritional problems amongst children in the crèche by increased awareness of the mothers as well as through the intervention of the ICDS programme of the Government through supply of nutritious food to children aged 2-6 years. This is in addition to food supplements provided by Estates in crèches. Steps are also being initiated to educate and sensitize workers, particularly women, through training programme undertaken on estates. The Assam Medical College, Dibrugarh has been working closely with Tea Estate management in addressing nutritional issues, particularly amongst children and nutritional shops are being opened on Tea Estates.

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